Medical Assistance Administration Department of Social and Health Services (DSHS)

Medicaid and SCHIP Reform Waiver

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House Health Care Committee

Presented by

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Medicaid and SCHIP Reform Waiver Waiver Goals

- Ensure availability of Medicaid coverage for most-vulnerable people
- More options to sustain medical coverage for low-income residents
- Maximize federal funding to achieve these goals

Medicaid and SCHIP Reform Waiver Waiver Design



- More flexible cost-sharing, benefit design and coverage options
- Waiver requests the same programmatic flexibility allowed under Bush Administration's initiatives and SCHIP
- Builds on the National Governors Association (NGA) Health Reform Proposal

Medicaid and SCHIP Reform Waiver Waiver Design

After CMS approval....

- Changes would not be implemented automatically
- Changes would require legislative approval
- SCHIP-funded Basic Health expansion could begin January 2003 (or as soon thereafter as administratively feasible)

Medicaid and SCHIP Reform Waiver Waiver Design

Program flexibility to:



- Adopt reasonable copayments
- Adopt reasonable premiums for clients above poverty level
- Adopt different benefit designs for Medicaid optional programs
- Impose waiting lists for enrollment into Medicaid optional and SCHIP programs

Medicaid and SCHIP Reform Waiver Copayments

- "Nominal" copays for some services and certain groups
- No copayments for:
 - Children;
 - Dual Medicare/Medicaid clients; and
 - Clients in hospitals and some facilities
- No copays for:
 - Emergency services;
 - Pregnancy-related services; and
 - Family planning services
- Providers cannot deny coverage if client can't pay

Medicaid and SCHIP Reform Waiver Copayments

Waiver proposal

- Allows "affordable" copays
- Allows copays on all eligibility groups



- Allows copays for non-preventive services
- Permits providers to deny coverage of non-emergent care if patient is unable to pay

Medicaid and SCHIP Reform Waiver Premiums

Existing federal requirements permit premiums for...

- Transitional Medical Assistance clients
- Pregnant women and infants above 150% of poverty
- Working disabled persons on Medicaid Buy-In program
- SCHIP children

Medicaid and SCHIP Reform Waiver Premiums

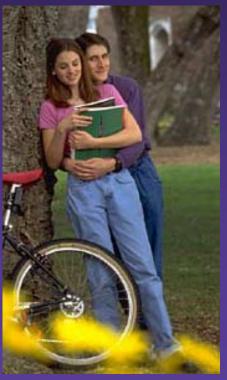
Waiver proposals

- Could adopt premiums on all Medicaid clients above federal poverty level
- Total cost-sharing (premiums and copayments) not exceed 5% of family income on average



Medicaid and SCHIP Reform Waiver Benefit Design

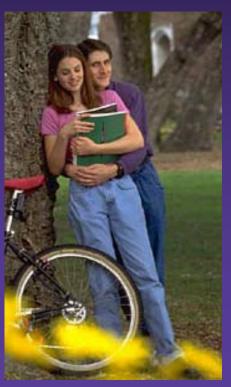
- States <u>must</u> cover "mandatory" services, such as:
 - Inpatient and outpatient
 - Physician
 - Medical and surgical
 - Laboratory and x-ray
 - Family planning
 - Transportation



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Medicaid and SCHIP Reform Waiver Benefit Design

- States <u>may</u> cover "optional" services, such as:
 - Prescription drugs
 - Durable medical equipment
 - Dental
 - Vision and hearing
 - Personal care
 - Interpreter services



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Medicaid and SCHIP Reform Waiver Benefit Design

Waiver proposals



- Still provide mandatory services for mandatory groups
- Could offer different benefits to different optional groups
- Waive Transportation and EPSDT requirements, except immunizations
- Coverage could be like the Basic Health, including Well Child care
- Unlike Basic Health, no pre-existing condition limits; different copays

Medicaid and SCHIP Reform Waiver Enrollment Limits

- Medicaid:
 - States cannot limit enrollment
 - Can restrict eligibility by adjusting income and resource levels
 - Medically Needy program is optional
- SCHIP
 - Not an entitlement
 - Restrict enrollment due to funding
 - Can limit eligibility
 - Can limit coverage to certain geographic areas

Medicaid and SCHIP Reform Waiver Enrollment Limits

Waiver proposals

- Medicaid mandatory eligibility groups would retain entitlement to coverage
- State would be able to impose enrollment caps and waiting lists
 - for Medicaid optional eligibility groups



Medicaid and SCHIP Reform Waiver Unspent SCHIP Funds

- States have three years to spend SCHIP allotments
- States must return their unspent SCHIP funds
- Washington's unspent funds are estimated at more than \$30 million a year.
- With waiver, Washington could use unspent SCHIP funds to cover parents of Medicaid & SCHIP children
- State could also cover childless adults
- Coverage would be via Basic Health

Medicaid and SCHIP Reform Waiver Unspent SCHIP Funds



- Expanded coverage would not be an entitlement
- Waiver could cover some 20,000 additional parents
- Feds (CMS) may require
 Washington to guarantee a
 maintenance of effort